MIC

THE REPUBLIC OF THE UNION OF MYANMAR

Form (2)

The Myanmar Investment Commission

PERMIT

Republic of the Union of Myanmar
Sr.No. 1-1
Date. 22.7.2014
Myanmar Investment Commission

Permit No. 751 /2014 Date 22nd July 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. ANDREW MERCADIER SHEPARD

(b) Citizenship AMERICAN

(c) Address 19 OFF NA-RANONG ROAD, SUNTHOMKOSA ROAD, KLONGTOEY, BANGKOK 10110, THAILAND

(d) Name and Address of Principle Organization COLGATE-PALMOLIVE (THAILAND) LIMITED, 19 OFF NA-RANONG ROAD, SUNTHOMKOSA ROAD, KLONGTOEY, BANGKOK 10110, THAILAND

(e) Place of Incorporation THAILAND

(f) Type of Investment Business MANUFACTURING AND MARKETING OF ORAL CARE PRODUCTS AND PERSONAL CARE PRODUCTS

(g) Place(s) at which investment is permitted PLOT NO. 97 AND 101, LOT 42 SHWE PYITHAR TOWNSHIP, YANGON REGION

(h) Amount of Foreign Capital US $ 89.5 MILLION

(i) Period for Foreign Capital Brought in WITHIN 3 YEARS AND 6 MONTHS AFTER ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 89.5 MILLION

(k) Construction Period 3 YEARS

(l) Validity of investment permit 50 YEARS

(m) Form of investment. WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar COLGATE-PALMOLIVE (MYANMAR) LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၇၅၁/၂၀၁၄ ၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၂၂ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. ANDREW MERCADIER SHEPARD

(ခ) နိုင်ငံသား AMERICAN

(ဂ) နေရပ်လိပ်စာ 19 OFF NA-RANONG ROAD, SUNTHOMKOSA ROAD, KLONGTOEY, BANGKOK 10110, THAILAND

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ COLGATE-PALMOLIVE (THAILAND) LIMITED, 19 OFF NA-RANONG ROAD, SUNTHOMKOSA ROAD, KLONGTOEY, BANGKOK 10110, THAILAND

(င) ဖွဲ့စည်းရာအရပ် THAILAND

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား MANUFACTURING AND MARKETING OF ORAL CARE PRODUCTS AND PERSONAL CARE PRODUCTS

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၉၇နှင့်၁၀၁၊ မြေတိုင်းရပ်ကွက်အမှတ် ၄၂၊ ရွှေပြည်သာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၈၉.၅ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး (၃နှစ် နှင့် ၆လ) အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၈၉.၅ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၃ နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၅၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် COLGATE-PALMOLIVE (MYANMAR) LIMITED

၂၂.၇

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), Thitsar Road, Yankin

Our ref : DICA-6(A)/FI-1026/2014(1-ဍ)

Date : 22nd July 2014

Tel: 01- 657890

Fax:95-1-657825

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing and Marketing of oral care products and personal care products" under the name of "Colgate-Palmolive (Myanmar) Ltd."**

Reference: Colgate-Palmolive (Myanmar) Ltd. Letter dated (6-5-2014)

1. The Myanmar Investment Commission, at its meeting (16/2014) held on (13-6-2014) had approved the proposal for investment in "Manufacturing and Marketing of oral care products and personal care products" under the name of "Colgate-Palmolive (Myanmar) Ltd." submitted by Colgate-Palmolive (Thailand) Ltd. (99.9%) from Thailand and Lournay Sales Inc. (0.1%) from United States of America as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 50(fifty) years and extendable for 10(ten) years 2(two) times commencing from the date of the issuance of MIC permit. The lease term of the land and buildings shall be 43(forty-three) years with Colgate-Palmolive (Myanmar) Ltd. and U Nyan Win, Daw San Myint commencing from the date of signing the Lease Agreement.

4. The rent for the land and buildings for 43 (forty-three) years shall be US $ 3,711,000(United States Dollar three million seven hundred and eleven thousand only) for Plot No.97 area of 5576.57 square metre (1.3788 acres) and US $ 1,967,000(United States Dollar one million nine hundred and sixty-seven thousand only) for Plot No.101 area of 5685.84 square metre (1.405 acres) and

extendable 10(ten) years for each plot by mutual agreement between U Nyan Win, Daw San Myint and Colgate-Palmolive(Myanmar) Ltd.

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Colgate-Palmolive (Myanmar) Ltd. shall have to sign the Lease Agreement for land and buildings with U Nyan Win and Daw San Myint. After signing such Agreements, (5) copies shall have to be forwarded to the Commission.

7. Colgate-Palmolive (Myanmar) Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Colgate-Palmolive (Myanmar) Ltd. shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. Colgate-Palmolive (Myanmar) Ltd. has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Colgate-Palmolive (Myanmar) Ltd. cannot construct completely in time the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. Colgate-Palmolive (Myanmar) Ltd. shall endeavour to meet the targets for production stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of the Foreign Investment Law and Colgate-Palmolive (Myanmar) Ltd. has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of Foreign Investment Law, other than foreign currency.

16. Whenever Colgate-Palmolive (Myanmar) Ltd. brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the

Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Colgate-Palmolive (Myanmar) Ltd. has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or a citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Colgate-Palmolive (Myanmar) Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Colgate-Palmolive (Myanmar) Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Impact Assessment (EIA) Process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. Colgate-Palmolive (Myanmar) Ltd. shall contribute minimum 1% of the annual net profit for Corporate Social Responsibility (CSR) activities in Myanmar.

21. After getting permit from Myanmar Investment Commission, Colgate-Palmolive (Myanmar) Ltd. shall have to be registered at the Directorate of Industrial Supervision and Inspection.

22. Colgate-Palmolive (Myanmar) Ltd. has to apply Health Recommendation from Ministry of Health for production. For exportation of oral care products and personal

care products, Colgate-Palmolive (Myanmar) Ltd. has to apply export recommendation from Ministry of Health, which is necessary for Export License issued from Ministry of Commerce and also apply for Health Certificate from Ministry of Health for shipment consignment.

23. Colgate-Palmolive (Myanmar) Ltd. shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake and install equipment such as water storage tank, fire extinguishers including sprinkler systems and alarm systems, provide training to use the fire fighting equipment and also to appoint the fire safety officer.

24. Payment of principal and interest of the loan as well as payment for import of raw materials and spare parts etc., shall be made out of the local sales and export of Colgate-Palmolive (Myanmar) Ltd.

25. Colgate-Palmolive (Myanmar) Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Colgate-Palmolive (Myanmar) Ltd.

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance
5. Ministry of Commerce
6. Ministry of Industry
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Ministry of Environmental Conservation and Forestry
13. Ministry of Construction
14. Ministry of Health

15. Director General, Directorate of Investment and Company Administration
16. Director General, Directorate of Industrial Supervision and Inspection
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Director General, Directorate of Trade
20. Director General, Immigration and National Registration Department
21. Director General, Directorate of Labour
22. Director General, Department of Environmental Conservation
23. Director General, Fire Services Department
24. Managing Director, Myanma Foreign Trade Bank
25. Managing Director, Myanma Investment and Commercial Bank
26. Managing Director, Myanma Insurance
27. Managing Director, Myanma Electric Power Enterprise
28. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)